

ASSEMBLY BILL

No. 1690

Introduced by Assembly Member Chesbro
(Coauthor: Assembly Member Evans)
(Coauthor: Senator Wiggins)

January 27, 2010

~~An act to amend Sections 218, 17207, and 24347.5 of, and to add Sections 195.164, 195.165, and 195.166 to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~
An act to add Sections 195.164, 195.165, 195.166, 218.2, 17207.2, and 24347.7 to the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1690, as amended, Chesbro. Disaster relief: County of Humboldt earthquake.

(1) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal

years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the County of Humboldt, which was declared by the Governor to be in a state of emergency due to the earthquake that occurred on January 9, 2010.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing the County of Humboldt for these property tax revenue reductions, this bill would make an appropriation.

(2) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a "dwelling," as defined.

This bill would ~~also~~ provide that any dwelling that qualified for the exemption prior to January 9, 2010, that was damaged or destroyed by the earthquake in the County of Humboldt, and that has not changed ownership since January 9, 2010, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to the earthquake.

The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act. By requiring local tax officials to implement new exemption criteria, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(3) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses

sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the County of Humboldt as a result of the earthquake that occurred in January 2010. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 195.164 is added to the Revenue and
2 Taxation Code, to read:
3 195.164. (a) By October 30, 2010, the auditor of the County
4 of Humboldt, which was the subject of the Governor's
5 proclamation of a state of emergency for the earthquake that
6 occurred on January 9, 2010, shall certify to the Director of Finance
7 an estimate of the total amount of the reduction in property tax
8 revenues on both the regular secured roll and the supplemental
9 roll for the 2009–10 fiscal year resulting from the reassessment
10 by the county assessor pursuant to paragraph (1) of subdivision
11 (a) of Section 170 of those properties that are eligible properties
12 as a result of that disaster, except that the amount certified shall
13 not include any estimated property tax revenue reductions to school
14 districts, other than basic state aid school districts, and county
15 offices of education.
16 (b) For purposes of this section, "basic state aid school district"
17 means any school district that does not receive a state
18 apportionment pursuant to subdivision (h) of Section 42238 of the
19 Education Code, but receives from the state only a basic
20 apportionment pursuant to Section 6 of Article IX of the California
21 Constitution.
22 SEC. 2. Section 195.165 is added to the Revenue and Taxation
23 Code, to read:

1 195.165. After the county auditor of the eligible county, as
2 described in Section 195.164, has made the applicable certification
3 to the Director of Finance pursuant to that section, the director
4 shall, within 30 days after verification of the county auditor's
5 estimate, certify this amount to the Controller for allocation to the
6 county. Upon receipt of certification from the Director of Finance,
7 the Controller shall make the appropriate allocation to the county
8 within 10 working days.

9 SEC. 3. Section 195.166 is added to the Revenue and Taxation
10 Code, to read:

11 195.166. (a) On or before June 30, 2011, an eligible county,
12 as described in Section 195.164, shall compute and remit to the
13 Controller for deposit in the General Fund an amount equal to the
14 amount allocated to it by the Controller pursuant to Section
15 195.165, less the actual amount of its property tax revenue lost on
16 the regular secured and supplemental rolls with respect to those
17 eligible properties described in Section 195.164 as a result of the
18 reassessment of those properties pursuant to paragraph (1) of
19 subdivision (a) of Section 170, excluding any property tax revenue
20 lost by school districts, other than basic state aid school districts,
21 and county offices of education. If the actual amount of property
22 tax revenue lost by an eligible county in the immediately preceding
23 fiscal year, as described and limited in the preceding sentence,
24 exceeds the amount allocated by the Controller to that county
25 pursuant to Section 195.165, the Controller shall allocate the
26 amount of that excess to that eligible county.

27 (b) For purposes of this section, "basic state aid school district"
28 means any school district that does not receive a state
29 apportionment pursuant to subdivision (h) of Section 42238 of the
30 Education Code, but receives from the state only a basic
31 apportionment pursuant to Section 6 of Article IX of the California
32 Constitution.

33 SEC. 4. Section 218.2 is added to the Revenue and Taxation
34 Code, to read:

35 218.2. (a) For purposes of this section, all of the following
36 apply:

37 (1) "Owner" includes a person purchasing the dwelling under
38 a contract of sale or who holds shares or membership in a
39 cooperative housing corporation, which holding is a requisite to
40 the exclusive right of occupancy of a dwelling.

1 (2) (A) *“Dwelling” means a building, structure, or other shelter*
2 *constituting a place of abode, whether real property or personal*
3 *property, and any land on which it may be situated. A two-dwelling*
4 *unit shall be considered as two separate single-family dwellings.*

5 (B) *“Dwelling” includes the following:*

6 (i) *A single-family dwelling occupied by an owner thereof as*
7 *his or her principal place of residence on the lien date.*

8 (ii) *A multiple-dwelling unit occupied by an owner thereof on*
9 *the lien date as his or her principal place of residence.*

10 (iii) *A condominium occupied by an owner thereof as his or her*
11 *principal place of residence on the lien date.*

12 (iv) *Premises occupied by the owner of shares or a membership*
13 *interest in a cooperative housing corporation, as defined in*
14 *subdivision (i) of Section 61, as his or her principal place of*
15 *residence on the lien date. Each exemption allowed pursuant to*
16 *this subdivision shall be deducted from the total assessed valuation*
17 *of the cooperative housing corporation. The exemption shall be*
18 *taken into account in apportioning property taxes among owners*
19 *of share or membership interests in the cooperative housing*
20 *corporations so as to benefit those owners who qualify for the*
21 *exemption.*

22 (b) *Any dwelling that qualified for an exemption under Section*
23 *218 prior to January 9, 2010, that was damaged or destroyed by*
24 *the earthquake and any other related casualty that occurred as a*
25 *result of the disaster in the County of Humboldt, as declared by*
26 *the Governor in January 2010, and that has not changed ownership*
27 *since January 9, 2010, shall not be disqualified as a “dwelling”*
28 *or be denied an exemption under this section solely on the basis*
29 *that the dwelling was temporarily damaged or destroyed or was*
30 *being reconstructed by the owner, or was temporarily uninhabited*
31 *as a result of restricted access to the property due to the*
32 *earthquake.*

33 (c) *The exemption provided for in subdivision (k) of Section 3*
34 *of Article XIII of the California Constitution shall first be applied*
35 *to the building, structure, or other shelter and the excess, if any,*
36 *shall be applied to any land on which it may be located.*

37 SEC. 5. *Section 17207.2 is added to the Revenue and Taxation*
38 *Code, to read:*

39 17207.2. (a) *An excess disaster loss, as defined in subdivision*
40 (c), *shall be carried to other taxable years as provided in*

1 subdivision (b), with respect to losses sustained in the County of
2 Humboldt as a result of the earthquake that occurred in January
3 2010.

4 (b) (1) In the case of any loss allowed under Section 165(c) of
5 the Internal Revenue Code, relating to limitation of losses of
6 individuals, any excess disaster loss shall be carried forward to
7 each of the five taxable years following the taxable year for which
8 the loss is claimed. However, if there is any excess disaster loss
9 remaining after the five-year period, then the applicable
10 percentage, as set forth in paragraph (1) of subdivision (b) of
11 Section 17276, of that excess disaster loss shall be carried forward
12 to each of the next 10 taxable years.

13 (2) The entire amount of any excess disaster loss as defined in
14 subdivision (c) shall be carried to the earliest of the taxable years
15 to which, by reason of subdivision (b), the loss may be carried.
16 The portion of the loss which shall be carried to each of the other
17 taxable years shall be the excess, if any, of the amount of excess
18 disaster loss over the sum of the adjusted taxable income for each
19 of the prior taxable years to which that excess disaster loss is
20 carried.

21 (c) "Excess disaster loss" means a disaster loss computed
22 pursuant to Section 165 of the Internal Revenue Code which
23 exceeds the adjusted taxable income of the year of loss or, if the
24 election under Section 165(i) of the Internal Revenue Code is made,
25 the adjusted taxable income of the year preceding the loss.

26 (d) The provisions of this section and Section 165(i) of the
27 Internal Revenue Code shall be applicable to any of the losses
28 listed in subdivision (a) sustained in any county or city in this state
29 which was proclaimed by the Governor to be in a state of disaster.

30 (e) Losses allowable under this section may not be taken into
31 account in computing a net operating loss deduction under Section
32 172 of the Internal Revenue Code.

33 (f) For purposes of this section, "adjusted taxable income" shall
34 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

35 (g) For losses described in subdivision (a), the election under
36 Section 165(i) of the Internal Revenue Code may be made on a
37 return or amended return filed on or before the due date of the
38 return (determined with regard to extension) for the taxable year
39 in which the disaster occurred.

1 SEC. 6. Section 24347.7 is added to the Revenue and Taxation
2 Code, to read:

3 24347.7. (a) An excess disaster loss, as defined in subdivision
4 (c), shall be carried to other taxable years as provided in
5 subdivision (b), with respect to losses sustained in the County of
6 Humboldt as a result of the earthquake that occurred in January
7 2010.

8 (b) (1) In the case of any loss allowed under Section 165 of the
9 Internal Revenue Code, relating to losses, any excess disaster loss
10 shall be carried forward to each of the five taxable years following
11 the taxable year for which the loss is claimed. However, if there
12 is any excess disaster loss remaining after the five-year period,
13 then the applicable percentage, as set forth in paragraph (1) of
14 subdivision (b) of Section 24416, of that excess disaster loss shall
15 be carried forward to each of the next 10 taxable years.

16 (2) The entire amount of any excess disaster loss as defined in
17 subdivision (c) shall be carried to the earliest of the taxable years
18 to which, by reason of subdivision (b), the loss may be carried.
19 The portion of the loss which shall be carried to each of the other
20 taxable years shall be the excess, if any, of the amount of excess
21 disaster loss over the sum of the net income for each of the prior
22 taxable years to which that excess disaster loss is carried.

23 (c) "Excess disaster loss" means a disaster loss computed
24 pursuant to Section 165 of the Internal Revenue Code, which
25 exceeds the net income of the year of loss or, if the election under
26 Section 165(i) of the Internal Revenue Code is made, the net income
27 of the year preceding the loss.

28 (d) The provisions of this section and Section 165(i) of the
29 Internal Revenue Code shall be applicable to any of the losses
30 listed in subdivision (a) sustained in any county or city in this state
31 which was proclaimed by the Governor to be in a state of disaster.

32 (e) Any corporation subject to the provisions of Section 25101
33 or 25101.15 that has disaster losses pursuant to this section, shall
34 determine the excess disaster loss to be carried to other taxable
35 years under the principles specified in Section 25108 relating to
36 net operating losses.

37 (f) Losses allowable under this section may not be taken into
38 account in computing a net operating loss deduction under Section
39 172 of the Internal Revenue Code.

1 (g) For losses described in subdivision (a), the election under
2 Section 165(i) of the Internal Revenue Code may be made on a
3 return or amended return filed on or before the due date of the
4 return (determined with regard to extension) for the taxable year
5 in which the disaster occurred.

6 ~~SEC. 4. Section 218 of the Revenue and Taxation Code is~~
7 ~~amended to read:~~

8 ~~218. (a) The homeowners' property tax exemption is in the~~
9 ~~amount of the assessed value of the dwelling specified in this~~
10 ~~section, as authorized by subdivision (k) of Section 3 of Article~~
11 ~~XIII of the California Constitution. That exemption shall be in the~~
12 ~~amount of seven thousand dollars (\$7,000) of the full value of the~~
13 ~~dwelling.~~

14 ~~(b) The exemption does not extend to property that is rented,~~
15 ~~vacant, under construction on the lien date, or that is a vacation or~~
16 ~~secondary home of the owner or owners, nor does it apply to~~
17 ~~property on which an owner receives the veteran's exemption.~~

18 ~~(c) For purposes of this section, all of the following apply:~~

19 ~~(1) "Owner" includes a person purchasing the dwelling under~~
20 ~~a contract of sale or who holds shares or membership in a~~
21 ~~cooperative housing corporation, which holding is a requisite to~~
22 ~~the exclusive right of occupancy of a dwelling.~~

23 ~~(2) (A) "Dwelling" means a building, structure, or other shelter~~
24 ~~constituting a place of abode, whether real property or personal~~
25 ~~property, and any land on which it may be situated. A two-dwelling~~
26 ~~unit shall be considered as two separate single-family dwellings.~~

27 ~~(B) "Dwelling" includes the following:~~

28 ~~(i) A single-family dwelling occupied by an owner thereof as~~
29 ~~his or her principal place of residence on the lien date.~~

30 ~~(ii) A multiple-dwelling unit occupied by an owner thereof on~~
31 ~~the lien date as his or her principal place of residence.~~

32 ~~(iii) A condominium occupied by an owner thereof as his or her~~
33 ~~principal place of residence on the lien date.~~

34 ~~(iv) Premises occupied by the owner of shares or a membership~~
35 ~~interest in a cooperative housing corporation, as defined in~~
36 ~~subdivision (i) of Section 61, as his or her principal place of~~
37 ~~residence on the lien date. Each exemption allowed pursuant to~~
38 ~~this subdivision shall be deducted from the total assessed valuation~~
39 ~~of the cooperative housing corporation. The exemption shall be~~
40 ~~taken into account in apportioning property taxes among owners~~

1 of share or membership interests in the cooperative housing
2 corporations so as to benefit those owners who qualify for the
3 exemption.

4 (d) Any dwelling that qualified for an exemption under this
5 section prior to October 20, 1991, that was damaged or destroyed
6 by fire in a disaster, as declared by the Governor, occurring on or
7 after October 20, 1991, and before November 1, 1991, and that
8 has not changed ownership since October 20, 1991, shall not be
9 disqualified as a “dwelling” or be denied an exemption under this
10 section solely on the basis that the dwelling was temporarily
11 damaged or destroyed or was being reconstructed by the owner.

12 (e) Any dwelling that qualified for an exemption under this
13 section prior to October 15, 2003, that was damaged or destroyed
14 by fire or earthquake in a disaster, as declared by the Governor,
15 during October, November, or December 2003, and that has not
16 changed ownership since October 15, 2003, shall not be
17 disqualified as a “dwelling” or be denied an exemption under this
18 section solely on the basis that the dwelling was temporarily
19 damaged or destroyed or was being reconstructed by the owner.

20 (f) Any dwelling that qualified for an exemption under this
21 section prior to June 3, 2004, that was damaged or destroyed by
22 flood in a disaster, as declared by the Governor, during June 2004,
23 and that has not changed ownership since June 3, 2004, shall not
24 be disqualified as a “dwelling” or be denied an exemption under
25 this section solely on the basis that the dwelling was temporarily
26 damaged or destroyed or was being reconstructed by the owner.

27 (g) Any dwelling that qualified for an exemption under this
28 section prior to August 11, 2004, that was damaged or destroyed
29 by the wildfires and any other related casualty that occurred in
30 Shasta County in a disaster, as declared by the Governor, during
31 August 2004, and that has not changed ownership since August
32 11, 2004, shall not be disqualified as a “dwelling” or be denied an
33 exemption under this section solely on the basis that the dwelling
34 was temporarily damaged or destroyed or was being reconstructed
35 by the owner.

36 (h) Any dwelling that qualified for an exemption under this
37 section prior to December 28, 2004, that was damaged or destroyed
38 by severe rainstorms, floods, mudslides, or the accumulation of
39 debris in a disaster, as declared by the Governor, during December
40 2004, January 2005, February 2005, March 2005, or June 2005,

1 and that has not changed ownership since December 28, 2004,
2 shall not be disqualified as a “dwelling” or be denied an exemption
3 under this section solely on the basis that the dwelling was
4 temporarily damaged or destroyed or was being reconstructed by
5 the owner, or was temporarily uninhabited as a result of restricted
6 access to the property due to floods, mudslides, the accumulation
7 of debris, or washed-out or damaged roads.

8 (i) Any dwelling that qualified for an exemption under this
9 section prior to December 19, 2005, that was damaged or destroyed
10 by severe rainstorms, floods, mudslides, or the accumulation of
11 debris in a disaster, as declared by the Governor in January 2006,
12 April 2006, May 2006, or June 2006, and that has not changed
13 ownership since December 19, 2005, shall not be disqualified as
14 a “dwelling” or be denied an exemption under this section solely
15 on the basis that the dwelling was temporarily damaged or
16 destroyed or was being reconstructed by the owner, or was
17 temporarily uninhabited as a result of restricted access to the
18 property due to floods, mudslides, the accumulation of debris, or
19 washed-out or damaged roads.

20 (j) Any dwelling that qualified for an exemption under this
21 section prior to July 9, 2006, that was damaged or destroyed by
22 the wildfires and any other related casualty that occurred in the
23 County of San Bernardino, as declared by the Governor in July
24 2006, and that has not changed ownership since July 9, 2006, shall
25 not be disqualified as a “dwelling” or be denied an exemption
26 under this section solely on the basis that the dwelling was
27 temporarily damaged or destroyed or was being reconstructed by
28 the owner, or was temporarily uninhabited as a result of restricted
29 access to the property due to the wildfires.

30 (k) Any dwelling that qualified for an exemption under this
31 section prior to the commencement dates of the wildfires listed in
32 the Governor’s proclamations of 2006 that was damaged or
33 destroyed by the wildfires and any other related casualty that
34 occurred in the Counties of Riverside and Ventura, and that has
35 not changed ownership since the commencement dates of these
36 disasters as listed in the Governor’s proclamations of 2006 shall
37 not be disqualified as a “dwelling” or be denied an exemption
38 under this section solely on the basis that the dwelling was
39 temporarily damaged or destroyed or was being reconstructed by

1 the owner, or was temporarily uninhabited as a result of restricted
2 access to the property due to the wildfires.

3 ~~(l) Any dwelling that qualified for an exemption under this~~
4 ~~section prior to January 11, 2007, that was damaged or destroyed~~
5 ~~by severe freezing conditions, commencing January 11, 2007, and~~
6 ~~any other related casualty that occurred in the Counties of El~~
7 ~~Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,~~
8 ~~Riverside, San Bernardino, San Diego, San Luis Obispo, Santa~~
9 ~~Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a~~
10 ~~result of a disaster as declared by the Governor, and that has not~~
11 ~~changed ownership since January 11, 2007, shall not be disqualified~~
12 ~~as a “dwelling” or be denied an exemption under this section solely~~
13 ~~on the basis that the dwelling was temporarily damaged or~~
14 ~~destroyed or was being reconstructed by the owner, or was~~
15 ~~temporarily uninhabited as a result of restricted access to the~~
16 ~~property due to severe freezing conditions.~~

17 ~~(m) Any dwelling that qualified for an exemption under this~~
18 ~~section prior to June 24, 2007, that was damaged or destroyed by~~
19 ~~the wildfires and any other related casualty that occurred as a result~~
20 ~~of this disaster in the County of El Dorado, as declared by the~~
21 ~~Governor in June 2007, and that has not changed ownership since~~
22 ~~June 24, 2007, shall not be disqualified as a “dwelling” or be denied~~
23 ~~an exemption under this section solely on the basis that the~~
24 ~~dwelling was temporarily damaged or destroyed or was being~~
25 ~~reconstructed by the owner, or was temporarily uninhabited as a~~
26 ~~result of restricted access to the property due to the wildfires.~~

27 ~~(n) Any dwelling that qualified for an exemption under this~~
28 ~~section prior to July 4, 2007, that was damaged or destroyed by~~
29 ~~the Zaca Fire and any other related casualty that occurred as a~~
30 ~~result of this disaster in the Counties of Santa Barbara and Ventura,~~
31 ~~as declared by the Governor in August 2007, and that has not~~
32 ~~changed ownership since July 4, 2007, may not be denied an~~
33 ~~exemption solely on the basis that the dwelling was temporarily~~
34 ~~damaged or destroyed or was being reconstructed by the owner,~~
35 ~~or was temporarily uninhabited as a result of restricted access to~~
36 ~~the property due to the Zaca Fire.~~

37 ~~(o) Any dwelling that qualified for an exemption under this~~
38 ~~section prior to July 6, 2007, that was damaged or destroyed by~~
39 ~~the wildfires and any other related casualty that occurred as a result~~
40 ~~of this disaster in the County of Inyo, as declared by the Governor~~

1 in July 2007, and that has not changed ownership since July 6,
2 2007, may not be denied an exemption solely on the basis that the
3 dwelling was temporarily damaged or destroyed or was being
4 reconstructed by the owner, or was temporarily uninhabited as a
5 result of restricted access to the property due to the wildfires.

6 (p) Any dwelling that qualified for an exemption under this
7 section prior to the commencement dates of the wildfires listed in
8 the Governor's disaster proclamations of September 15, 2007, and
9 October 21, 2007, that was damaged or destroyed by the wildfires
10 and any other related casualty that occurred in the Counties of Los
11 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa
12 Barbara, and Ventura, and that has not changed ownership since
13 the commencement dates of these disasters as listed in the
14 proclamations shall not be disqualified as a "dwelling" or be denied
15 an exemption under this section solely on the basis that the
16 dwelling was temporarily damaged or destroyed or was being
17 reconstructed by the owner, or was temporarily uninhabited as a
18 result of restricted access to the property due to the wildfires.

19 (q) Any dwelling that qualified for an exemption under this
20 section prior to October 20, 2007, that was damaged or destroyed
21 by the extremely strong and damaging winds and any other related
22 casualty that occurred as a result of this disaster in the County of
23 Riverside, as declared by the Governor in November 2007, and
24 that has not changed ownership since October 20, 2007, shall not
25 be disqualified as a "dwelling" or be denied an exemption under
26 this section solely on the basis that the dwelling was temporarily
27 damaged or destroyed or was being reconstructed by the owner,
28 or was temporarily uninhabited as a result of restricted access to
29 the property due to the extremely strong and damaging winds.

30 (r) Any dwelling that qualified for an exemption under this
31 section prior to the commencement dates of the wildfires listed in
32 the Governor's disaster proclamations of May, June, or July 2008,
33 that was damaged or destroyed by the wildfires and any other
34 related casualty that occurred in the Counties of Butte, Kern,
35 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,
36 Shasta, and Trinity and that has not changed ownership since the
37 commencement dates of these disasters as listed in the
38 proclamations shall not be disqualified as a "dwelling" or be denied
39 an exemption under this section solely on the basis that the
40 dwelling was temporarily damaged or destroyed or was being

1 ~~reconstructed by the owner, or was temporarily uninhabited as a~~
2 ~~result of restricted access to the property due to the wildfires.~~

3 ~~(s) Any dwelling that qualified for an exemption under this~~
4 ~~section prior to July 1, 2008, that was damaged or destroyed by~~
5 ~~the wildfires and any other related casualty that occurred as a result~~
6 ~~of this disaster in the County of Santa Barbara, as declared by the~~
7 ~~Governor in July 2008, and that has not changed ownership since~~
8 ~~July 1, 2008, may not be denied an exemption solely on the basis~~
9 ~~that the dwelling was temporarily damaged or destroyed or was~~
10 ~~being reconstructed by the owner, or was temporarily uninhabited~~
11 ~~as a result of restricted access to the property due to the wildfires.~~

12 ~~(t) Any dwelling that qualified for an exemption under this~~
13 ~~section prior to July 12, 2008, that was damaged or destroyed by~~
14 ~~severe rainstorms, floods, landslides, or the accumulation of debris~~
15 ~~in a disaster, as declared by the Governor, in July 2008, and that~~
16 ~~has not changed ownership since July 12, 2008, shall not be~~
17 ~~disqualified as a “dwelling” or be denied an exemption under this~~
18 ~~section solely on the basis that the dwelling was temporarily~~
19 ~~damaged or destroyed or was being reconstructed by the owner,~~
20 ~~or was temporarily uninhabited as a result of restricted access to~~
21 ~~the property due to floods, landslides, the accumulation of debris,~~
22 ~~or washed-out or damaged roads.~~

23 ~~(u) Any dwelling that qualified for an exemption under this~~
24 ~~section prior to May 22, 2008, that was damaged or destroyed by~~
25 ~~the wildfires and any other related casualty that occurred as a result~~
26 ~~of this disaster in the County of Humboldt, as declared by the~~
27 ~~Governor in August 2008, and that has not changed ownership~~
28 ~~since May 22, 2008, may not be denied an exemption solely on~~
29 ~~the basis that the dwelling was temporarily damaged or destroyed~~
30 ~~or was being reconstructed by the owner, or was temporarily~~
31 ~~uninhabited as a result of restricted access to the property due to~~
32 ~~the wildfires.~~

33 ~~(v) Any dwelling that qualified for an exemption under this~~
34 ~~section prior to the commencement dates of the wildfires that were~~
35 ~~the subject of the Governor’s disaster proclamations of October~~
36 ~~13, 2008, and November 15, 2008, that was damaged or destroyed~~
37 ~~by the wildfires and any other related casualty that occurred in the~~
38 ~~Counties of Los Angeles and Ventura and that has not changed~~
39 ~~ownership since the commencement dates of these wildfires, shall~~
40 ~~not be disqualified as a “dwelling” or be denied an exemption~~

~~1 under this section solely on the basis that the dwelling was
2 temporarily damaged or destroyed or was being reconstructed by
3 the owner, or was temporarily uninhabited as a result of restricted
4 access to the property due to the wildfires.~~

~~5 (w) Any dwelling that qualified for an exemption under this
6 section prior to November 13, 2008, that was damaged or destroyed
7 by the wildfires and any other related casualty that occurred as a
8 result of this disaster in the County of Santa Barbara, as declared
9 by the Governor in November 2008, and that has not changed
10 ownership since November 13, 2008, shall not be disqualified as
11 a “dwelling” or be denied an exemption under this section solely
12 on the basis that the dwelling was temporarily damaged or
13 destroyed or was being reconstructed by the owner, or was
14 temporarily uninhabited as a result of restricted access to the
15 property due to the wildfires.~~

~~16 (x) Any dwelling that qualified for an exemption under this
17 section prior to the commencement dates of the wildfires listed in
18 the Governor’s disaster proclamations of November 15, 2008, and
19 November 17, 2008, that was damaged or destroyed by the
20 wildfires and any other related casualty that occurred as a result
21 of this disaster in the Counties of Orange, Riverside, and San
22 Bernardino, as declared by the Governor in November 2008, and
23 that has not changed ownership since the commencement dates of
24 these disasters as listed in the proclamations, shall not be
25 disqualified as a “dwelling” or be denied an exemption under this
26 section solely on the basis that the dwelling was temporarily
27 damaged or destroyed or was being reconstructed by the owner,
28 or was temporarily uninhabited as a result of restricted access to
29 the property due to the wildfires.~~

~~30 (y) Any dwelling that qualified for an exemption under this
31 section prior to May 5, 2009, that was damaged or destroyed by
32 the wildfires and any other related casualty that occurred as a result
33 of this disaster in the County of Santa Barbara, as declared by the
34 Governor in May 2009, and that has not changed ownership since
35 May 5, 2009, shall not be disqualified as a “dwelling” or be denied
36 an exemption under this section solely on the basis that the
37 dwelling was temporarily damaged or destroyed or was being
38 reconstructed by the owner, or was temporarily uninhabited as a
39 result of restricted access to the property due to the wildfires.~~

1 ~~(z) Any dwelling that qualified for an exemption under this~~
2 ~~section prior to January 9, 2010, that was damaged or destroyed~~
3 ~~by the earthquake and any other related casualty that occurred as~~
4 ~~a result of the disaster in the County of Humboldt, as declared by~~
5 ~~the Governor in January 2010, and that has not changed ownership~~
6 ~~since January 9, 2010, shall not be disqualified as a “dwelling” or~~
7 ~~be denied an exemption under this section solely on the basis that~~
8 ~~the dwelling was temporarily damaged or destroyed or was being~~
9 ~~reconstructed by the owner, or was temporarily uninhabited as a~~
10 ~~result of restricted access to the property due to the earthquake.~~

11 ~~(aa) The exemption provided for in subdivision (k) of Section~~
12 ~~3 of Article XIII of the California Constitution shall first be applied~~
13 ~~to the building, structure, or other shelter and the excess, if any,~~
14 ~~shall be applied to any land on which it may be located.~~

15 ~~SEC. 5. Section 17207 of the Revenue and Taxation Code is~~
16 ~~amended to read:~~

17 ~~17207. (a) An excess disaster loss, as defined in subdivision~~
18 ~~(e), shall be carried to other taxable years as provided in~~
19 ~~subdivision (b), with respect to losses resulting from any of the~~
20 ~~following disasters:~~

21 ~~(1) Forest fire or any other related casualty occurring in 1985~~
22 ~~in California.~~

23 ~~(2) Storm, flooding, or any other related casualty occurring in~~
24 ~~1986 in California.~~

25 ~~(3) Any loss sustained during 1987 as a result of a forest fire or~~
26 ~~any other related casualty.~~

27 ~~(4) Earthquake, aftershock, or any other related casualty~~
28 ~~occurring in 1987 in California.~~

29 ~~(5) Earthquake, aftershock, or any other related casualty~~
30 ~~occurring in 1989 in California.~~

31 ~~(6) Any loss sustained during 1990 as a result of fire or any~~
32 ~~other related casualty in California.~~

33 ~~(7) Any loss sustained as a result of the Oakland/Berkeley Fire~~
34 ~~of 1991, or any other related casualty.~~

35 ~~(8) Any loss sustained as a result of storm, flooding, or any~~
36 ~~other related casualty occurring in February 1992 in California.~~

37 ~~(9) Earthquake, aftershock, or any other related casualty~~
38 ~~occurring in April 1992 in the County of Humboldt.~~

39 ~~(10) Riots, arson, or any other related casualty occurring in~~
40 ~~April or May 1992 in California.~~

1 ~~(11) Any loss sustained as a result of the earthquakes that~~
2 ~~occurred in the County of San Bernardino in June and July of 1992,~~
3 ~~or any other related casualty.~~

4 ~~(12) Any loss sustained as a result of the Fountain Fire that~~
5 ~~occurred in the County of Shasta, or as a result of either of the~~
6 ~~fires in the Counties of Calaveras and Trinity that occurred in~~
7 ~~August 1992, or any other related casualty.~~

8 ~~(13) Any loss sustained as a result of storm, flooding, or any~~
9 ~~other related casualty that occurred in the Counties of Alpine,~~
10 ~~Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,~~
11 ~~Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,~~
12 ~~Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,~~
13 ~~Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of~~
14 ~~Fillmore in January 1993.~~

15 ~~(14) Any loss sustained as a result of a fire that occurred in the~~
16 ~~Counties of Los Angeles, Orange, Riverside, San Bernardino, San~~
17 ~~Diego, and Ventura, during October or November of 1993, or any~~
18 ~~other related casualty.~~

19 ~~(15) Any loss sustained as a result of the earthquake, aftershocks,~~
20 ~~or any other related casualty that occurred in the Counties of Los~~
21 ~~Angeles, Orange, and Ventura on or after January 17, 1994.~~

22 ~~(16) Any loss sustained as a result of a fire that occurred in the~~
23 ~~County of San Luis Obispo during August of 1994, or any other~~
24 ~~related casualty.~~

25 ~~(17) Any loss sustained as a result of the storms or flooding~~
26 ~~occurring in 1995, or any other related casualty, sustained in any~~
27 ~~county of this state subject to a disaster declaration with respect~~
28 ~~to the storms and flooding.~~

29 ~~(18) Any loss sustained as a result of the storms or flooding~~
30 ~~occurring in December 1996 or January 1997, or any related~~
31 ~~casualty, sustained in any county of this state subject to a disaster~~
32 ~~declaration with respect to the storms or flooding.~~

33 ~~(19) Any loss sustained as a result of the storms or flooding~~
34 ~~occurring in February 1998, or any related casualty, sustained in~~
35 ~~any county of this state subject to a disaster declaration with respect~~
36 ~~to the storms or flooding.~~

37 ~~(20) Any loss sustained as a result of a freeze occurring in the~~
38 ~~winter of 1998–99, or any related casualty, sustained in any county~~
39 ~~of this state subject to a disaster declaration with respect to the~~
40 ~~freeze.~~

1 ~~(21) Any loss sustained as a result of an earthquake occurring~~
2 ~~in September 2000, that was included in the Governor's~~
3 ~~proclamation of a state of emergency for the County of Napa.~~

4 ~~(22) Any loss sustained as a result of the Middle River levee~~
5 ~~break in San Joaquin County occurring in June 2004.~~

6 ~~(23) Any losses sustained as a result of the fires that occurred~~
7 ~~in the Counties of Los Angeles, Riverside, San Bernardino, San~~
8 ~~Diego, and Ventura in October and November 2003, or as a result~~
9 ~~of floods, mudflows, and debris flows, directly related to fires.~~

10 ~~(24) Any losses sustained in the Counties of Santa Barbara and~~
11 ~~San Luis Obispo as a result of the San Simeon earthquake,~~
12 ~~aftershocks, and any other related casualties.~~

13 ~~(25) Any losses sustained as a result of the wildfires that~~
14 ~~occurred in Shasta County, commencing August 11, 2004, and~~
15 ~~any other related casualty.~~

16 ~~(26) Any loss sustained in the Counties of Kern, Los Angeles,~~
17 ~~Orange, Riverside, San Bernardino, San Diego, Santa Barbara,~~
18 ~~and Ventura as a result of the severe rainstorms, related flooding~~
19 ~~and slides, and any other related casualties, that occurred in~~
20 ~~December 2004, January 2005, February 2005, March 2005, or~~
21 ~~June 2005.~~

22 ~~(27) Any loss sustained in the Counties of Alameda, Alpine,~~
23 ~~Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El~~
24 ~~Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,~~
25 ~~Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,~~
26 ~~Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,~~
27 ~~Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,~~
28 ~~Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of~~
29 ~~the severe rainstorms, related flooding and slides, and any other~~
30 ~~related casualties, that occurred in December 2005, January 2006,~~
31 ~~March 2006, or April 2006.~~

32 ~~(28) Any loss sustained in the County of San Bernardino as a~~
33 ~~result of the wildfires that occurred in July 2006.~~

34 ~~(29) Any loss sustained in the Counties of Riverside and Ventura~~
35 ~~as a result of wildfires that occurred during the 2006 calendar year.~~

36 ~~(30) Any loss sustained in the Counties of El Dorado, Fresno,~~
37 ~~Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San~~
38 ~~Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa~~
39 ~~Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject~~

1 of the Governor's proclamations of a state of emergency for the
2 severe freezing conditions that occurred in January 2007.

3 ~~(31) Any loss sustained in the County of El Dorado as a result~~
4 ~~of wildfires that occurred in June 2007.~~

5 ~~(32) Any loss sustained in the Counties of Santa Barbara and~~
6 ~~Ventura as a result of the Zaca Fire that occurred during the 2007~~
7 ~~calendar year.~~

8 ~~(33) Any loss sustained in the County of Inyo as a result of~~
9 ~~wildfires that commenced in July 2007.~~

10 ~~(34) Any loss sustained in the Counties of Los Angeles, Orange,~~
11 ~~Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura~~
12 ~~as a result of wildfires that occurred during the 2007 calendar year~~
13 ~~that were the subject of the Governor's disaster proclamations of~~
14 ~~September 15, 2007, and October 21, 2007.~~

15 ~~(35) Any loss sustained in the County of Riverside as a result~~
16 ~~of extremely strong and damaging winds that occurred in October~~
17 ~~2007.~~

18 ~~(36) Any loss sustained in the Counties of Butte, Kern,~~
19 ~~Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,~~
20 ~~Shasta, and Trinity as a result of wildfires that occurred in May or~~
21 ~~June 2008 that were the subject of the Governor's proclamations~~
22 ~~of a state of emergency.~~

23 ~~(37) Any loss sustained in the County of Santa Barbara as a~~
24 ~~result of wildfires that occurred in July 2008.~~

25 ~~(38) Any loss sustained in the County of Inyo as a result of the~~
26 ~~severe rainstorms, related flooding and landslides, and any other~~
27 ~~related casualties, that occurred in July 2008.~~

28 ~~(39) Any loss sustained in the County of Humboldt as a result~~
29 ~~of wildfires that commenced in May 2008.~~

30 ~~(40) Any loss sustained in the County of Santa Barbara as a~~
31 ~~result of wildfires that commenced in November 2008.~~

32 ~~(41) Any loss sustained in the Counties of Los Angeles and~~
33 ~~Ventura as a result of wildfires that commenced in October 2008~~
34 ~~or November 2008 that were the subject of the Governor's~~
35 ~~proclamations of a state of emergency.~~

36 ~~(42) Any loss sustained in the Counties of Orange, Riverside,~~
37 ~~and San Bernardino as a result of wildfires that commenced in~~
38 ~~November 2008.~~

39 ~~(43) Any loss sustained in the County of Santa Barbara as a~~
40 ~~result of wildfires that commenced in May 2009.~~

1 ~~(44) Any loss sustained in the County of Humboldt as a result~~
2 ~~of the earthquake that occurred in January 2010.~~

3 ~~(b) (1) In the case of any loss allowed under Section 165(e) of~~
4 ~~the Internal Revenue Code, relating to limitation of losses of~~
5 ~~individuals, any excess disaster loss shall be carried forward to~~
6 ~~each of the five taxable years following the taxable year for which~~
7 ~~the loss is claimed. However, if there is any excess disaster loss~~
8 ~~remaining after the five-year period, then the applicable percentage,~~
9 ~~as set forth in paragraph (1) of subdivision (b) of Section 17276,~~
10 ~~of that excess disaster loss shall be carried forward to each of the~~
11 ~~next 10 taxable years.~~

12 ~~(2) The entire amount of any excess disaster loss as defined in~~
13 ~~subdivision (e) shall be carried to the earliest of the taxable years~~
14 ~~to which, by reason of subdivision (b), the loss may be carried.~~
15 ~~The portion of the loss which shall be carried to each of the other~~
16 ~~taxable years shall be the excess, if any, of the amount of excess~~
17 ~~disaster loss over the sum of the adjusted taxable income for each~~
18 ~~of the prior taxable years to which that excess disaster loss is~~
19 ~~carried.~~

20 ~~(c) “Excess disaster loss” means a disaster loss computed~~
21 ~~pursuant to Section 165 of the Internal Revenue Code which~~
22 ~~exceeds the adjusted taxable income of the year of loss or, if the~~
23 ~~election under Section 165(i) of the Internal Revenue Code is~~
24 ~~made, the adjusted taxable income of the year preceeding the loss.~~

25 ~~(d) The provisions of this section and Section 165(i) of the~~
26 ~~Internal Revenue Code shall be applicable to any of the losses~~
27 ~~listed in subdivision (a) sustained in any county or city in this state~~
28 ~~which was proclaimed by the Governor to be in a state of disaster.~~

29 ~~(e) Losses allowable under this section may not be taken into~~
30 ~~account in computing a net operating loss deduction under Section~~
31 ~~172 of the Internal Revenue Code.~~

32 ~~(f) For purposes of this section, “adjusted taxable income” shall~~
33 ~~be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.~~

34 ~~(g) For losses described in paragraphs (15) to (44), inclusive,~~
35 ~~of subdivision (a), the election under Section 165(i) of the Internal~~
36 ~~Revenue Code may be made on a return or amended return filed~~
37 ~~on or before the due date of the return (determined with regard to~~
38 ~~extension) for the taxable year in which the disaster occurred.~~

39 ~~SEC. 6. Section 24347.5 of the Revenue and Taxation Code~~
40 ~~is amended to read:~~

1 ~~24347.5. (a) An excess disaster loss, as defined in subdivision~~
2 ~~(c), shall be carried to other taxable years as provided in~~
3 ~~subdivision (b), with respect to losses resulting from any of the~~
4 ~~following disasters:~~

5 ~~(1) Forest fire or any other related casualty occurring in 1985~~
6 ~~in California.~~

7 ~~(2) Storm, flooding, or any other related casualty occurring in~~
8 ~~1986 in California.~~

9 ~~(3) Any loss sustained during 1987 as a result of a forest fire or~~
10 ~~any other related casualty.~~

11 ~~(4) Earthquake, aftershock, or any other related casualty~~
12 ~~occurring in October 1987 in California.~~

13 ~~(5) Earthquake, aftershock, or any other related casualty~~
14 ~~occurring in October 1989 in California.~~

15 ~~(6) Any loss sustained during 1990 as a result of fire or any~~
16 ~~other related casualty in California.~~

17 ~~(7) Any loss sustained as a result of the Oakland/Berkeley Fire~~
18 ~~of 1991, or any other related casualty.~~

19 ~~(8) Any loss sustained as a result of storm, flooding, or any~~
20 ~~other related casualty occurring in February 1992 in California.~~

21 ~~(9) Earthquake, aftershock, or any other related casualty~~
22 ~~occurring in April 1992 in the County of Humboldt.~~

23 ~~(10) Riots, arson, or any other related casualty occurring in~~
24 ~~April or May 1992 in California.~~

25 ~~(11) Any loss sustained as a result of the earthquakes or any~~
26 ~~other related casualty that occurred in the County of San~~
27 ~~Bernardino in June and July of 1992.~~

28 ~~(12) Any loss sustained as a result of the Fountain Fire that~~
29 ~~occurred in the County of Shasta, or as a result of either of the~~
30 ~~fires in the Counties of Calaveras and Trinity that occurred in~~
31 ~~August 1992, or any other related casualty.~~

32 ~~(13) Any loss sustained as a result of storm, flooding, or any~~
33 ~~other related casualty that occurred in the Counties of Alpine,~~
34 ~~Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,~~
35 ~~Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,~~
36 ~~Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,~~
37 ~~Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of~~
38 ~~Fillmore in January 1993.~~

39 ~~(14) Any loss sustained as a result of a fire that occurred in the~~
40 ~~Counties of Los Angeles, Orange, Riverside, San Bernardino, San~~

1 Diego, and Ventura, during October or November of 1993, or any
2 other related casualty.

3 (15) Any loss sustained as a result of the earthquake, aftershocks,
4 or any other related casualty that occurred in the Counties of Los
5 Angeles, Orange, and Ventura on or after January 17, 1994.

6 (16) Any loss sustained as a result of a fire that occurred in the
7 County of San Luis Obispo during August of 1994, or any other
8 related casualty.

9 (17) Any loss sustained as a result of the storms or flooding
10 occurring in 1995, or any other related casualty, sustained in any
11 county of this state subject to a disaster declaration with respect
12 to the storms and flooding.

13 (18) Any loss sustained as a result of the storms or flooding
14 occurring in December 1996 or January 1997, or any related
15 casualty, sustained in any county of this state subject to a disaster
16 declaration with respect to the storms or flooding.

17 (19) Any loss sustained as a result of the storms or flooding
18 occurring in February 1998, or any related casualty, sustained in
19 any county of this state subject to a disaster declaration with respect
20 to the storms or flooding.

21 (20) Any loss sustained as a result of a freeze occurring in the
22 winter of 1998–99, or any related casualty, sustained in any county
23 of this state subject to a disaster declaration with respect to the
24 freeze.

25 (21) Any loss sustained as a result of an earthquake occurring
26 in September 2000, that was included in the Governor's
27 proclamation of a state of emergency for the County of Napa.

28 (22) Any loss sustained as a result of the Middle River levee
29 break in San Joaquin County occurring in June 2004.

30 (23) Any losses sustained as a result of the fires that occurred
31 in the Counties of Los Angeles, Riverside, San Bernardino, San
32 Diego, and Ventura in October and November 2003, or as a result
33 of floods, mudflows, and debris flows, directly related to fires.

34 (24) Any losses sustained in the Counties of Santa Barbara and
35 San Luis Obispo as a result of the San Simeon earthquake,
36 aftershocks, and any other related casualties.

37 (25) Any losses sustained as a result of the wildfires that
38 occurred in Shasta County, commencing August 11, 2004, and
39 any other related casualty.

~~(26) Any loss sustained in the Counties of Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura as a result of the severe rainstorms, related flooding and slides, and any other related casualties, that occurred in December 2004, January 2005, February 2005, March 2005, or June 2005.~~

~~(27) Any loss sustained in the Counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of the severe rainstorms, related flooding and slides, and any other related casualties, that occurred in December 2005, January 2006, March 2006, or April 2006.~~

~~(28) Any loss sustained in the County of San Bernardino as a result of the wildfires that occurred in July 2006.~~

~~(29) Any loss sustained in the Counties of Riverside and Ventura as a result of wildfires that occurred during the 2006 calendar year.~~

~~(30) Any loss sustained in the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject of the Governor's proclamations of a state of emergency for the severe freezing conditions that occurred in January 2007.~~

~~(31) Any loss sustained in the County of El Dorado as a result of wildfires that occurred in June 2007.~~

~~(32) Any loss sustained in the Counties of Santa Barbara and Ventura as a result of the Zaca Fire that occurred during the 2007 calendar year.~~

~~(33) Any loss sustained in the County of Inyo as a result of wildfires that commenced in July 2007.~~

~~(34) Any loss sustained in the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura as a result of wildfires that occurred during the 2007 calendar year that were the subject of the Governor's disaster proclamations of September 15, 2007, and October 21, 2007.~~

1 ~~(35) Any loss sustained in the County of Riverside as a result~~
2 ~~of extremely strong and damaging winds that occurred in October~~
3 ~~2007.~~

4 ~~(36) Any loss sustained in the Counties of Butte, Kern,~~
5 ~~Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,~~
6 ~~Shasta, and Trinity as a result of wildfires that occurred in May or~~
7 ~~June 2008 that were the subject of the Governor's proclamations~~
8 ~~of a state of emergency.~~

9 ~~(37) Any loss sustained in the County of Santa Barbara as a~~
10 ~~result of wildfires that occurred in July 2008.~~

11 ~~(38) Any loss sustained in the County of Inyo as a result of the~~
12 ~~severe rainstorms, related flooding and landslides, and any other~~
13 ~~related casualties, that occurred in July 2008.~~

14 ~~(39) Any loss sustained in the County of Humboldt as a result~~
15 ~~of wildfires that commenced in May 2008.~~

16 ~~(40) Any loss sustained in the County of Santa Barbara as a~~
17 ~~result of wildfires that commenced in November 2008.~~

18 ~~(41) Any loss sustained in the Counties of Los Angeles and~~
19 ~~Ventura as a result of wildfires that commenced in October 2008~~
20 ~~or November 2008 that were the subject of the Governor's~~
21 ~~proclamations of a state of emergency.~~

22 ~~(42) Any loss sustained in the Counties of Orange, Riverside,~~
23 ~~and San Bernardino as a result of wildfires that commenced in~~
24 ~~November 2008.~~

25 ~~(43) Any loss sustained in the County of Santa Barbara as a~~
26 ~~result of wildfires that commenced in May 2009.~~

27 ~~(44) Any loss sustained in the County of Humboldt as a result~~
28 ~~of the earthquake that occurred in January 2010.~~

29 ~~(b) (1) In the case of any loss allowed under Section 165 of the~~
30 ~~Internal Revenue Code, relating to losses, any excess disaster loss~~
31 ~~shall be carried forward to each of the five taxable years following~~
32 ~~the taxable year for which the loss is claimed. However, if there~~
33 ~~is any excess disaster loss remaining after the five-year period,~~
34 ~~then the applicable percentage, as set forth in paragraph (1) of~~
35 ~~subdivision (b) of Section 24416, of that excess disaster loss shall~~
36 ~~be carried forward to each of the next 10 taxable years.~~

37 ~~(2) The entire amount of any excess disaster loss as defined in~~
38 ~~subdivision (c) shall be carried to the earliest of the taxable years~~
39 ~~to which, by reason of subdivision (b), the loss may be carried.~~
40 ~~The portion of the loss which shall be carried to each of the other~~

1 taxable years shall be the excess, if any, of the amount of excess
2 disaster loss over the sum of the net income for each of the prior
3 taxable years to which that excess disaster loss is carried.

4 (e) ~~“Excess disaster loss” means a disaster loss computed~~
5 ~~pursuant to Section 165 of the Internal Revenue Code, which~~
6 ~~exceeds the net income of the year of loss or, if the election under~~
7 ~~Section 165(i) of the Internal Revenue Code is made, the net~~
8 ~~income of the year preceding the loss.~~

9 (d) ~~The provisions of this section and Section 165(i) of the~~
10 ~~Internal Revenue Code shall be applicable to any of the losses~~
11 ~~listed in subdivision (a) sustained in any county or city in this state~~
12 ~~which was proclaimed by the Governor to be in a state of disaster.~~

13 (e) ~~Any corporation subject to the provisions of Section 25101~~
14 ~~or 25101.15 that has disaster losses pursuant to this section, shall~~
15 ~~determine the excess disaster loss to be carried to other taxable~~
16 ~~years under the principles specified in Section 25108 relating to~~
17 ~~net operating losses.~~

18 (f) ~~Losses allowable under this section may not be taken into~~
19 ~~account in computing a net operating loss deduction under Section~~
20 ~~172 of the Internal Revenue Code.~~

21 (g) ~~For losses described in paragraphs (15) to (44), inclusive,~~
22 ~~of subdivision (a), the election under Section 165(i) of the Internal~~
23 ~~Revenue Code may be made on a return or amended return filed~~
24 ~~on or before the due date of the return (determined with regard to~~
25 ~~extension) for the taxable year in which the disaster occurred.~~

26 SEC. 7. It is the intent of the Legislature to provide in the
27 annual Budget Act those additional reimbursements to local
28 governments that, as a result of Section 4 of this act, are required
29 by Section 25 of Article XIII of the California Constitution.

30 SEC. 8. The Legislature finds and declares that this act fulfills
31 a statewide public purpose because of all of the following:

32 (a) The Governor of California has officially proclaimed a state
33 of emergency declaring that the earthquake that occurred within
34 the County of Humboldt on January 9, 2010, constitutes conditions
35 of extreme peril to public health and safety to persons and property
36 within that county, thus qualifying affected persons for various
37 forms of governmental assistance and relief.

38 (b) This act is consistent with, and supplements, the proclaimed
39 disaster assistance and relief by providing necessary fiscal
40 assistance and tax relief to affected jurisdictions and persons to

1 allow them to maintain essential basic services and repair damage
2 to, and restore, their homes and businesses.

3 SEC. 9. If the Commission on State Mandates determines that
4 this act contains costs mandated by the state, reimbursement to
5 local agencies and school districts for those costs shall be made
6 pursuant to Part 7 (commencing with Section 17500) of Division
7 4 of Title 2 of the Government Code.

8 SEC. 10. This act is an urgency statute necessary for the
9 immediate preservation of the public peace, health, or safety within
10 the meaning of Article IV of the Constitution and shall go into
11 immediate effect. The facts constituting the necessity are:

12 In order to timely provide essential relief to those persons and
13 jurisdictions that have suffered damage or loss as a result of the
14 earthquake that occurred within the County of Humboldt in January
15 2010, that was the subject of the Governor's proclamation of a
16 state of emergency, it is necessary that this act take effect
17 immediately.